

Low Income Subsidy (LIS) Redetermination
External Q&As
October, 2006

***Qualifying for Extra Help with
Medicare Prescription Drug Coverage Costs***

What efforts are underway affecting people who qualify for extra help paying for their Medicare prescription drug coverage?

As part of an annual process, the Centers for Medicare & Medicaid Services and the Social Security Administration are determining if people who qualify for extra help paying for Medicare prescription drug coverage in 2006 will continue to qualify in 2007.

How does this affect people who currently automatically qualify for extra help?

Some people who automatically qualified for extra help in 2006 will no longer automatically qualify in 2007. People who no longer have both Medicare and Medicaid (full-benefit dual-eligibles), belong to Medicare Savings Programs (partial dual-eligibles), or get Supplemental Security Income (SSI) benefits will no longer **automatically qualify** for extra help. These people will need to apply to Social Security or their State Medical Assistance (Medicaid) office to see if they still qualify for extra help based on their income and resources.

Other people will continue to automatically qualify for extra help in 2007, but their copayment levels will change. The change in copayment level could result from a change in their Medicaid eligibility. For example, they may have had a change from one of the following categories to another: having Medicare and Medicaid and residing in an institution; having Medicare and Medicaid; belonging to a Medicare Savings Program; or receiving SSI benefits but not Medicaid.

How will people know if they no longer automatically qualify for extra help?

People who will no longer automatically qualify for extra help in 2007 received a letter from Medicare in late September. The letter includes a paper application for extra help from Social Security and a pre-addressed postage-paid envelope. These individuals can apply to see if they still qualify for extra help based on their income and resources.

What should people do if they no longer automatically qualify for extra help in 2007?

People who no longer automatically qualify for extra help should apply to Social Security or their State Medical Assistance (Medicaid) office as soon as possible to see if they still qualify for extra help based on their income and resources. If a person's situation changes

so that they again automatically qualify, Medicare will send them another notice letting them know that they qualify.

People who no longer qualify for extra help should look at other options that may help pay their drug costs, including available State and local programs. They may also want to compare available Medicare drug plans to their current Medicare drug plan to see if they can save money. When comparing plans, people should check to make sure the plan covers the prescriptions they take and includes the pharmacies they use. People can call their State Health Insurance Assistance Program (SHIP) for free personalized counseling about their choices (see the *Medicare & You* handbook for their telephone number, or contact 1-800-MEDICARE).

How will people know if their copayment amounts will change?

People whose copayment amounts will change as of January 1, 2007 received a letter from Medicare in early October letting them know their new copayment amounts. Copayment amounts may either increase or decrease due to a change in Medicaid eligibility. For example, people with both Medicare and Medicaid who no longer reside in a nursing home will no longer qualify for a \$0 copayment.

What should people do if they think there's been a mistake determining their eligibility for extra help?

People who think they got a letter by mistake should call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Callers who report that they are still Medicaid eligible will be directed to their State Medicaid Agencies.

Did letters go out in Spanish to Spanish-language households?

The letters let Spanish-speakers know that they can contact 1-800-MEDICARE (1-800-633-4227) to get a Spanish translation of the notice.

How does this affect people who applied and qualified for extra help (i.e., those that did not automatically qualify)?

The Social Security Administration reviewed the eligibility of people who **applied and qualified** for extra help before May 2006. Social Security mailed these people a letter at the end of August telling them what Social Security's records show for their income (not including cost of living increases), resources, and household size.

People who don't have changes to their income, resources, or household size don't need to do anything. People who have any changes to their income, resources, or household size will need to return a one-page letter to Social Security within 15 days. Social Security will then mail a form for them to fill out and return called "Social Security Administration Review of Your Eligibility for Extra Help" (Form 1026B). If these individuals fill out and return the form within 30 days, any change to the amount of extra help they qualify for will be effective in January 2007 unless their marital status changed. Changes in marital status may result in changes to the amount of extra help in the following month.

Social Security will also send the eligibility review form (1026B) directly to some people to complete because Social Security has information that there was a change in income or resources. This form needs to be returned within 30 days. Social Security will review the eligibility review form (1026B) and send the person a letter explaining its decision.

Social Security may decide a person

- has no change in the amount of extra help they receive, or
- has an increase in the amount of extra help they receive, or
- has a decrease in the amount of extra help they receive, or
- no longer qualifies for extra help.

What if people don't agree with Social Security's decision?

People have the right to appeal if they disagree with Social Security's decision. The decision letter they get from Social Security will explain their appeal rights.

Will everyone with extra help get a letter from Medicare or Social Security?

No. People with no changes who continue to automatically qualify for extra help as of January 1, 2007, won't get a letter.

Where can people get more information?

People who have questions about Medicare prescription drug coverage, the extra help, or the letter they got from Medicare should call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. They should let Medicare know they got a notice when they call.

People who have questions about filling out the application for extra help should visit www.socialsecurity.gov on the web, or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

Below are other resources for more information:

- Fact Sheet - <http://www.socialsecurity.gov/pubs/10111.html>
- Mailing (L1026) – http://www.ssa.gov/prescriptionhelp/L1026%20Passive%20Redeterminati on%20English%20SAMPLE%20_08-25-06%20Systems_.pdf
- “Social Security Administration Review of Your Eligibility for Extra Help” (1026B) - <http://www.ssa.gov/prescriptionhelp/SSA-1026B-OCR-SM-INST.pdf>